

Members

Rep. Markt Lytle, Chair
Rep. Robert Cherry
Rep. John Frenz
Rep. William Friend
Rep. Scott Mellinger
Rep. Jeff Thompson
Sen. Robert Jackman, Vice-Chair
Sen. Sue Landske
Sen. Connie Lawson
Sen. James Lewis
Sen. Katie Wolf
Sen. Richard Young



INTERIM STUDY COMMITTEE ON RURAL AND AGRICULTURAL ISSUES

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Authority: Legislative Council Resolution 00-1
(Adopted May 25, 2000)

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MEETING MINUTES¹

Meeting Date: October 25, 2000
Meeting Time: 10:00 A.M.
Meeting Place: State House, 200 W. Washington St.,
Room 128
Meeting City: Indianapolis, Indiana
Meeting Number: 4

Members Present: Rep. Markt Lytle, Chair; Rep. John Frenz; Rep. Scott Mellinger; Rep. Robert Cherry; Rep. William Friend; Sen. Robert Jackman, Vice-Chair; Sen. Connie Lawson; Sen. Richard Young; Sen. James Lewis.

Members Absent: Rep. Jeff Thompson; Sen. Sue Landske; Sen. Katie Wolf.

Representative Markt Lytle, the Committee's chair, called the meeting to order shortly after 10:00 a.m. Senator Robert Jackman first read a letter from a citizen thanking the Committee for holding its second meeting in Jennings County. Representative Mellinger then commented on the profound effect the meeting held in Madison County had on that community.

Regulation of Farm Trucks

Inspector Dave Keesling of the Commercial Vehicle Enforcement division of the Indiana State Police was recognized by Chairman Lytle. Inspector Keesling told the Committee that Indiana adopted all of the Federal Motor Carrier Safety Regulations (FMCSR) in 1979 and began enforcing them in 1984. He then referred to a meeting held in Knightstown, Indiana to address a particular situation involving an Ohio resident who was stopped for violating the FMCSR. Inspector Keesling stated that although Ohio has chosen to exempt farmers from the FMCSR, this particular individual was hauling farm equipment in an unsafe manner and was stopped in Indiana.

Representative Robert Cherry asked when the most recent hiring of an inspector occurred. Inspector Keesling responded that the last hiring was in 1993, and that there are probably fewer than 70 staff members conducting inspections in Indiana. He added that many inspection

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facilities are greatly understaffed. The Committee then asked several questions regarding specifics of the FMCSR, including when a farmer or other non-commercial driver would be required to maintain a log book. Inspector Keesling thanked the Committee for the opportunity to clarify this issue and stressed the importance of public information and education in this area.

Mr. Bob Kraft of the Indiana Farm Bureau then addressed the Committee. He stated that many farmers have difficulties understanding the application of motor vehicle regulations to farm trucks and equipment due to the blurred lines of jurisdiction between the State Police, Department of Transportation, Department of Revenue, etc. He suggested that farmers may feel “singled out” when cited for violations because of the infrequent enforcement of these regulations.

Representative Scott Mellinger remarked that perhaps some exemptions for farmers should be considered if safety is maintained. Senator Richard Young stated that he felt that current safety requirements were reasonable with the exception of the maintenance of a log for certain drivers. A motion was then made for the Committee's final report to support the study of agricultural exemptions from certain regulations. The motion passed by a unanimous vote.

“Safety Nets” for Indiana Family Farms (SCR 62)

Chairman Lytle then recognized Mr. Francis Bradley. Mr. Bradley outlined the current state of Indiana's family farms (for a copy of Mr. Bradley's handouts, see Exhibit A). He blamed poor legislation for contributing to many farmers' high debt. He called for a “safety net” program to prevent small to medium-sized farm owners from being forced to sell their farms. He stated that such a program should only apply to operations with limited off-farm income and a maximum debt of \$500,000. He suggested a \$25,000 state loan each year for five years. This amount would go directly to a lending institution to help meet farmers' debt service payments.

Mr. Bradley added that small businesses related to the farming industry are also facing a crisis, and that the “safety net” program should also be applied to them. Representative William Friend asked where the funding would come from, and Mr. Bradley replied that he has spoken with official at the Indiana Development Finance Authority to explore possibilities. Mr. Joseph Pearson, the Assistant Commissioner of Agriculture, added that his office has scheduled a meeting on November 20th, 2000 to further examine this topic.

Mr. Jim Hoyer of Citizens Action Coalition was then recognized by the Chairman. Mr. Hoyer stated that the “safety net” program proposed by Mr. Bradley could operate similarly to the State Treasurer's Agricultural Loan Program. Representatives Friend and Cherry expressed concern that additional debt could be a burden to farmers already struggling to remain solvent. Mr. Hoyer responded that a offering a low interest rate would allow borrowers to meet immediate debt service payments during especially difficult times.

Mr. John Caldwell, also representing Citizens Action Coalition, added that while the State Treasurer's program provides one tool, the proposed “safety net” would provide a second option.

Issues Facing Indiana's Tobacco Farmers

Chairman Lytle outlined the meeting held at the Office of the Commissioner of Agriculture's office on October 23, 2000 in which Chairman Lytle and other members of the Committee participated. The Chairman related the positive feedback the legislators received from the farmers and quota holders in attendance. He reported that the prevailing opinion was that the Governor's commitment of \$28.5 M for tobacco farmers may not be sufficient, and that the Committee should ask for \$40 M over five years.

Chairman Lytle then proposed a Concurrent Resolution which urges the General Assembly to appropriate this \$40 M for agricultural transition research, regional farm markets, a livestock

facility, studies of alternative crops, funding for the Indiana Rural Development Council, and other educational programs. After Committee discussion, the amended resolution passed by a roll-call vote of 8-0.

Regional Water and Sewer Districts (HR 102, HB 1248)

Chairman Lytle offered PD 3539 for the Committee's consideration. He stated that the language in the PD was similar to the language in the introduced version of HB 1248 (2000). The Committee then heard testimony from Ms. Connie Stevens, District Manager for the South Henry Regional Waste District. Ms. Stevens explained that her regional sewer district (RSD) was created in 1989 in response to an order issued by the Indiana Department of Environmental Management. The RSD now serves about 850 customers and has recently won an award for excellence from the Environmental Protection Agency. The basic points of Ms. Stevens' testimony are summarized below:

- RSDs provide an essential service;
- they must maintain a "critical mass" of a customer base to be self-sufficient;
- appointments should be made by elected officials; and
- Indiana Utility Regulatory Commission (IURC) oversight will increase rates.

Representative Friend asked if the South Henry Regional Waste District issued an annual report to its customers. Ms. Stevens replied that the board members only distribute copies to the local officials that appointed them. Senator Jackman asked how the South Henry RSD dealt with the issue of required hook-ups. Ms. Stevens replied that town residents were mandated to hook up, but those residing in between towns were not required to do so until they built new structures (unless problems with their septic systems were found).

Representative Mellinger observed that many RSDs operate with little public opposition, and that there are only a few districts in Indiana with problems such as those in Jennings and Madison Counties. He commended the South Henry RSD for being flexible with customers and stated that this helped to build trust.

Chairman Lytle then recognized Mike Mettler from the Huntington County Department of Health. Mr. Mettler was generally concerned with any waivers or exemptions from forced hook-ups and felt that these could jeopardize his agency's ability to ensure public health and protect the environment. He stated that even new septic systems do not always work well and that any waivers should only be granted with concurrence from the local health department. Chairman Lytle pointed out that PD 3539 does require that health departments approve and certify a septic system before an exemption is granted, and that this exemption would be for only three years. The Chairman also expressed his favor for a system of cost recovery for citizens who invest in new septic systems but are then required to hook up to a sewer system.

Mr. Tom Carr, Supervisor of the Madison County Health Department, was then recognized by the Chairman. Mr. Carr was concerned about how changes in state law would impact certain local ordinances regarding RSDs. Chairman Lytle informed Mr. Carr that state law would supersede the local ordinances. Representative Mellinger suggested that new home buyers should be informed if there are existing plans to include their area in the sewer system.

Mr. Mike Phillips, representing the Patoka Lake Regional Sewer and Water District, then addressed the Committee. Mr. Phillips had three main observations:

- Changes to RSD laws will also affect regional water districts;
- placing a 5% cap on rate increases may unfairly limit some districts that have not raised rates in several years; and
- allowing credits or waivers may negatively impact the financing of RSD projects.

John Holmes of the Indiana Waste and Wastewater Association was then recognized by Chairman Lytle. He stated his organization's support of HB 1248 (2000) and of better public notice and accountability in general. Mr. Holmes also felt that waivers would hamper the ability of RSDs to finance projects.

After extensive Committee discussion, Representative Mellinger suggested that the Committee make the following recommendations in its final report:

1. That a credit or exemption system be considered for homes or businesses with septic systems less than five years old;
2. that a local governing appeal process for rates be established;
3. that an annual report be made available by an RSD to its customers; and
4. that a removal process of RSD board members be reviewed.

Buried Utilities and Limited Spacing for the Postal System (HR 100)

The Committee then heard testimony from Mr. Paul Caporale regarding issues of buried utilities (for a copy of Mr. Caporale's handouts, see Exhibit B). Mr. Caporale explained that his business engages in the installation of mailboxes, primarily in newly constructed subdivisions in an eight-county area around Indianapolis. Mr. Caporale related his problems in striking gas lines placed near the curb while digging to install mailbox posts (even though proper procedures are followed).

He further stated that for safety reasons, gas lines should always be placed in utility easements, not in right-of-ways near the curb where such digging is likely to take place. Mr. Caporale explained that he is constrained by federal postal guidelines regulating the placement of mailboxes. When he approached the gas utilities, Mr. Caporale was unable to obtain their cooperation, and his efforts to ask county governments to further restrict the placement of gas lines have also been unsuccessful.

The Committee noted that since it was their final meeting, they were unable to draft and vote on a bill to address this problem. After some discussion about the jurisdictional issues related to Mr. Caporale's concerns, Committee members encouraged him to contact his legislators and ask them to introduce legislation in the upcoming session to address this topic.

Final Business

The Committee then voted 7-0 to approve the final report, including the recommendations suggested by Representative Mellinger regarding RSDs. Chairman Lytle then adjourned the Committee's final meeting at approximately 2:30 p.m.